

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF PACE                    ) APPEAL NO. 07-A-2452  
FAMILY TRUST from the decision of the Board of        ) FINAL DECISION  
Equalization of Canyon County for tax year 2007.       ) AND ORDER

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came for hearing on November 19, 2007, in Caldwell, before Hearing Officer Travis VanLith. Board Members Lyle R. Cobbs, Linda S. Pike and David E. Kinghorn participated in this decision. Appellants Tim and Elizabeth Pace appeared. Appraiser Supervisor Barbara Wade and Appraiser Kathy Kinney appeared for Respondent Canyon County. This appeal is taken from a decision of the Canyon County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. 16430000 0.

**The issue on appeal is the market value of a residential property.**

**The decision of the Canyon County Board of Equalization is modified.**

FINDINGS OF FACT

The assessed land value is \$30,380, and the improvements' valuation is \$83,600, totaling \$113,980. Appellant requests the land value be reduced to \$24,188, and the improvements' value be reduced to \$66,542, totaling \$90,730.

The subject property is a .2 acre residential property located in Nampa, Idaho. Attached is a 1056 square foot, two bedroom, one and one half bath residence built in 1983.

Appellants cited the *Boise Metro Chamber of Commerce Business Barometer*, which published median prices for single-family homes in Canyon County increased 19.4% in 2006. In light of this, Appellants argued subject's 35% assessment increase was excessive.

Appellants then questioned the comparability of Respondent's sales to the subject property. It was claimed that subject was in need of repairs to make it "sales worthy", such as;

roof and window replacement, bathroom and fence repair, as well as, new paint and landscaping. Appellants further noted subject was built with T-111 siding, which has been withdrawn from the market since the late 1980's.

Appellants also provided information from a local builder advertising a \$66 per-square-foot build cost for new single-family residences in subject's area. Using this figure, Appellant calculated it would cost approximately \$70,000 to build a residence of subject's size.

Respondent provided four (4) improved sales that occurred in 2006 involving residences similar in size to subject. The prices per square foot ranged between \$110.59 and \$117.66. Subject was assessed for \$107.94 per square foot.

Respondent testified that adjustments were made to account for subject's deficiencies, such as; deteriorated roof and concrete slab flooring. County records showed subject was larger than it actually was, however, Respondent claimed the difference was minor and no adjustment was warranted.

### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho adheres to the market value standard for determining value for the purpose of property taxation as defined in Idaho Code § 63-201:

"Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full

cash payment.

There are three primary methods of determining market value: the cost approach, the income approach and the market data approach. “Although different types of property are by their nature more amenable to valuation by one method of appraisal than another the touchstone in the appraisal of property for *ad valorem* tax purposes is the fair market value of that property, and fair market value must result from application of the chosen appraisal method . . . .” Merris v. Ada County, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979).

Appellants referenced the cost approach by providing a local advertisement indicating that new single-family residences in subject's area could be built for \$66 per square foot. “Cost and value are not necessarily synonymous terms . . . .” In re Appeal of C. C. Anderson Stores Co., 86 Idaho 249, 253, 384 P.2d 677, 680 (1963). While the cost approach is a recognized appraisal method, it would not be the most accurate measure of value in a case such as this, where subject was built nearly 25 years ago.

Respondent utilized the market data approach and provided several sales of area properties to support subject's 2007 assessed value. The sale properties were similar in size to subject, however, there were questions about their comparability in terms of quality and condition. Specifically, the siding used on the sale properties appears to be superior to that of the subject. It was mentioned that at one point, the Assessor's office thought subject had brick siding. The error was corrected prior to this hearing, though it is unclear if an appropriate downward adjustment was made to account for subject's T-111 siding, which has been discontinued for approximately twenty years.

Also troubling is the discrepancy in subject's square footage. While Respondent's testimony that the difference was minor and thus did not warrant an adjustment may indeed be

correct, the error further calls into question the overall accuracy of subject's assessment.

Given the above, the Board finds that Appellants have satisfied the burden of proof with regard to the value of subject's residential improvements and will reduce such to \$66,542. As nothing in the record indicates error in the value of subject's land, it will remain at \$30,380 as assessed.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Canyon County Board of Equalization concerning the subject parcel be, and the same hereby is, modified to reflect a decrease in the improvements' value to \$66,542, with the land remaining unchanged at \$30,380; for a total assessed value of \$96,922.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due, be refunded or applied against other *ad valorem* taxes due from Appellant.

MAILED January 4, 2008